ARTHUR M. BORDEN
860 UNITED NATIONS PLAZA
NEW YORK, NEW YORK 10017

February 20, 1996

Mark G. Borden, Esq.
Hale and Dorr
60 State Street
Boston, Massachusetts 02109

Dear Mark:

Enclosed is a resume of Deepak Moorjani, whom I've come to know over a number of years through his affiliation with the Lodestar Group.

He is both very able and very agreeable, and I thought you might know a West Coast venture capital group that would have an interest in his resume. Anything you could do would be appreciated.

Best,

Dad

AMB:m
Enclosed

cc: Deepak Moorjani

From the desk of...

ARTHUR M. BORDEN

To:

Deepak —

Hope the note will be of help, and the book of interest. Enjoyed our lunch — Keep in touch

AMB

AUGUST 28, 1989

FORTUNE

FORTUNE PEOPLE

Bob Baldwin's return to investment banking

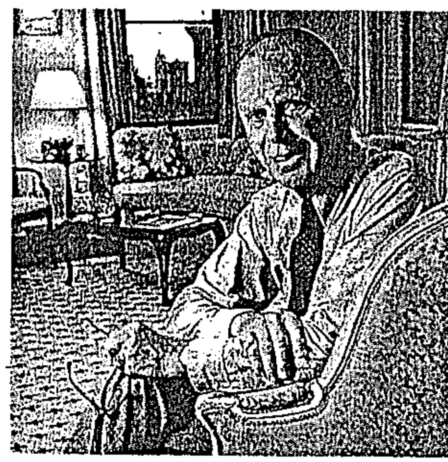
■ Speaking of dealmakers: CEOs of undervalued companies may be getting a call from former Morgan Stanley chairman **Robert Baldwin**. After five years in semiretirement, Baldwin, 69, is chairman of a year-old investment banking boutique called Lodestar Group. With nearly $300 million provided largely by Japanese investors, Lodestar has quietly acquired toehold stakes—less than 5%—in half a dozen companies.

Unlike the typical leveraged-buyout group, Lodestar won't acquire more than 20% unless the managers are amenable. "I'm sure they're intimidated at first," Baldwin says. "When we call, they probably think, 'Okay, here it comes.' But we tell them there's no need to get excited." Baldwin and his Lodestar partners—Merrill Lynch alums **Ken Miller** and **Tull Gearreald**—say they're content to cajole reluctant top officers into restructuring the company or taking it private. Lodestar stands to pick up underwriting fees and hopes to see its holdings run up in value.

An example of Lodestar's finesse is the proposed restructuring of Kinder-Care, the $572-million-a-year company in Montgomery, Alabama, that started with day care centers and diversified with mixed success into shoe stores, savings and loans, and insurance. Lodestar's partners argued that the company would look better to investors if it were less cluttered. So Kinder-Care is spinning off the day care subsidiary. Says CEO **Richard Grassgreen**: "Their word was clearly to be trusted." No wonder. Baldwin, who built Morgan Stanley into a Wall Street powerhouse during his ten years as chief, has been called "the Boy Scout of the investment banking business."

FORTUNE PEOPLE

Robert Baldwin: the gentle persuader



Legal Notes

The Lodestar Group
110 East 59th Street
26th Floor
New York, N.Y. 10022
212-446-3317

STEVEN A. BARONOFF

Note to Lodestar Profs.

The attached may be
of interest.

— Steve


THE RED HERRING
OCTOBER 1995
TECHNOLOGY STRATEGY, FINANCE, & INVESTMENT.
Information provided in this issue of THE RED HERRING is based upon a combination of public data, professional insights, and street gossip while debating herring.com's merits at the Kagan Multimedia Conference, strategizing with Time-Warner's Larry Kirshbaum & Don Logan at the Empire Tap Room in Palo Alto, slurping milkshakes at the Peninsula Creamery with Marc Andreessen, & fighting for a seat at *Medea*—SF's standing-room-only musical—to see Elsa pine for a gay man. Readers who use this information for investment decisions do so at their own risk.
ISSUE 24
$8.95 U.S./$10.95 CAN.
WE THOUGHT YOU GUYS HAD A DEAL

THE RED HERRING

TECHNOLOGY STRATEGY, FINANCE, & INVESTMENT.

To: Louis Gerstner, CEO of IBM; and Michael Spindler, CEO of Apple
From: The Editors of THE RED HERRING
Re: We thought you had a deal

We thought you guys had a deal. How come you're blowing it? Four years ago, your two companies signed an historic agreement that could have already reshaped the computer industry. Instead, you've squandered your assets by letting your corporate egos stand in the way of reaping the enormous potential rewards that a real partnership between IBM and Apple could bring.

Hey, there's no law that says you guys have to maximize the potential of your companies, and because we're not stockholders, we could almost care less. What prompts us to write is that as journalists, it burns us to see how both of your customers are getting gypped by this lack of cooperation, and it depresses us when we realize how it's not only hurting users, but also holding back the industry.

You don't have to be a financial wizard to see that times have been tough for both your companies. Apple's greed in hoarding the Macintosh as a proprietary standard, Mike, has caused your market share to dive down into the single digits. And Lou, IBM's big thrust into personal computing, OS/2, is still a giant question mark after billions of dollars in investment. Spending billions more to buy Lotus for twice its obvious market price won't save OS/2. Even if you hope the investment yields you a well-known brand name, it's a brand that's already tainted. And, if, as rumors have it, you're out there waving your checkbook around and buying up anything that might breach Microsoft's applications stronghold, buying applications will still never garner the returns you might have seen had you followed through on your deal with Apple.

All too often, guys, when you're running a big corporation, too much of your attention gets diverted by corporate issues and too much of your viewpoint gets skewed by the corporate perspective. The problem is that you don't understand your own assets—otherwise you wouldn't be veering in the wrong directions. To put it bluntly, Apple's big assets are the Macintosh operating system, its out-of-the-box experience, and its premium brand name recognition. In a recent survey of American consumers asked to "name a computer" Apple was far and away the most common response. IBM's primary assets are its enormous sales engine, research and development, manufacturing capabilities, customer base, and corporate credibility. The best way for both of you to maximize these assets should be really obvious: combine the Macintosh operating system with IBM's sales, customers, and credibility. In other words, IBM should be selling Mac clones.

Although your PR flacks have given a lot of lip service to the idea of IBM actually adopting some of Apple's Macintosh technology, the delivery hasn't been clear and consistent. When the IBM-Apple deal was first forged, Taligent and a product called Workplace OS (at the time touted as the imminent successor to OS/2) were promised as a way to integrate Macintosh applications with IBM's Power PC offering. Unfortunately, IBM was far behind Apple in producing a mainstream Power PC system. Mike, you deserve credit for being the first major computer vendor to successfully pull off a switch of CPU without screwing your product sales, and you're the only ones who are really benefitting from the Power PC partnership. Lou, your guys have only just recently announced a mainstream Power PC system, but it looks like a non-starter, because you don't even have a decent operating system for it. Your guys looked pretty embarrassed at the announcement this June when they had to sheepishly admit that they could only offer, gulp, a beta version of OS/2 for the Power PC. Lou, if you don't smell a crisis brewing, go take a stronger whiff near the percolator.

The way we see it, the Intel-based PC market is a brutal commodity business, with razor-thin margins. The only real hope for either IBM or Apple to achieve big market share in the hardware market is to make the Power PC a major standard, one

1550 Bryant Street, Suite 950 • San Francisco • California 94103 • Tel: 415/865-2277 • Fax: 415/865-2280 • Web: www.herring.com

that significantly challenges the Intel architecture. Lou, you're dreaming if you think OS/2 is going to do it for you. It's never proven itself on the Intel platform, let alone on the Power PC. Your buddy Mike, on the other hand, has the Macintosh OS, which has not only proven itself as the only viable alternative to Microsoft Windows, it's actually a better operating system than either Windows or OS/2. To top it off, it still has a host of innovative applications and development tools, especially in key areas such as publishing, communications, and multimedia. You can certainly say that Windows may soon catch up in those areas, but you can't say that about OS/2—it just has too far to go.

Rather than throwing good money after bad by trying to promote OS/2 as your competitive product to Windows, Lou, you should sit back down at the table with Mike to hammer out a real deal that would put IBM's full support behind the Macintosh OS. Otherwise, Bill Gates will continue to benefit from your dividing and conquering each other. We know it's a bitter political pill to have to swallow up in Armonk, but the Macintosh OS could really have a shot against Windows if IBM folded its technology effort into Apple's—but not with Taligent. Taligent is a pipedream. The Mac is reality, with tens of millions of users. Lou, we know you've got plenty of partisan advisors saying that switching from OS/2 to the Mac OS would be trading one also-ran OS for another. Don't listen to them: they're crying sour grapes. The Mac OS is hurt in the market by not having IBM as an ally, and trust me, when it comes to important issues like usability, technology, and design, the Mac OS is definitely number one.

Lou, we know your technical guys will tell you that they've already come up with a plan—announced with a whisper—to offer the Macintosh OS on your upcoming Power PC CHRP (Common Hardware Reference Platform) system design. But that's more of what you and your new pals at Lotus have long been famous for: too little, too late. The real opportunity for IBM and Apple isn't to pussyfoot around, trying to protect each company's own market share and technology base while waiting for CHRP. The real win is for IBM to step behind the Macintosh and clone the existing system. CHRP isn't a major contender yet, and it will probably take years before it registers in the installed base. The Macintosh, on the other hand, has a respectable installed base, but an even more important benefit is that it can offer a large sales and support infrastructure complete with a robust selection of third party hardware add-ins, accessories, and services. In other words, IBM can enjoy an overnight success with a Macintosh clone, but it will have to wait years to benefit from the Mac OS on CHRP. And Lou, you can get into the Mac business overnight, since you're already building Mac clones for Radius at one of your factories.

Lou, you didn't have the guts to clone the Mac, so now you're probably leaving over $10 billion a year in sales on the table. Multimedia home PCs are outselling color televisions, and guess what? Home PCs are not a very good product for consumers. Just ask Packard Bell, which has suffered from 20% return rates. Macs, on the other hand, are the only personal computer technology other than game machines that offer the design elements and reliability necessary for a traditional consumer electronic product. If IBM based its consumer computing strategy on the Mac instead of Wintel machines, it might benefit your investment in the Power PC and also challenge Microsoft and Intel in the critically important consumer marketplace.

And Mike, you need to do your part by cutting Lou a deal he can't refuse. The future of your company is in software, not hardware. If you can swallow this, why not spin off your hardware division and create a giant Mac clone company in one fell swoop? You could take the money from the spinoff—and maybe Lou could kick in a few bucks—to go out and buy Novell. This way you'd not only have the best client software operating system—the Macintosh—you'd also have the best server operating system as well. And in the client/server future, you're going to need that to hold your own against Microsoft.

As we said at the beginning, guys, the industry and customers are suffering because of your lack of cooperation. Consumers across the country are being unnecessarily punished by the complexities of DOS, Windows, and multimedia on the PC when they could have been having a much more satisfying experience running a Mac. But, Lou, until you get behind Apple and aggressively bless it as an alternative standard, most consumers will be too afraid to believe in the Mac. And Mike, you know what that means.

This letter was written by Computer Analyst Frederic E. Davis and the editors of THE RED HERRING. *Fred Davis has been publishing his thoughts on the personal computer industry since co-founding* A+ Magazine *in 1983, and has been named one of the 100 most influential computer people by both* MicroTimes *in the U.S. and* EYE-COM *in Japan. An earlier version of this letter was published on WebLust (http://www.weblust.com).*

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1221 Avenue of the Americas
8th Floor
New York, NY 10020

LSG ADVISORS

JOHN S. SHELDON
Managing Director
Tel: 212-278-5414
Fax: 212-278-5388

December 29, 1995

Ms. Marie M. Mookini
Director of MBA Admissions
MBA Admissions Office
Stanford University Graduate School of Business
350 Memorial Way
Stanford, CA 94305-5015

Dear Ms. Mookini,

It is with great enthusiasm that I recommend Deepak Moorjani for the Stanford University MBA program. In my seven years at The Lodestar Group/LSG Advisors and my eight years at Goldman Sachs, I have had the pleasure of working with many exceptional bankers. Of all the MBA candidates for whom I have chosen to write recommendations, Deepak stands among the top candidates in terms of the skills he has developed and the contributions I believe he will make to your MBA program. This letter is designed to provide my reactions to questions number 1 through 6 on the enclosed application. I would be happy to amplify further on anything contained herein.

Deepak's greatest strengths are a combination of highly developed financial, technical and strategic analytical skills and his well developed judgment regarding when and how to apply such skills. I often find Deepak helping me reformulate my views regarding what truly is "the question" or "the problem" or the "real situation". Deepak is surprisingly mature in reading a situation and determining what are the critical issues. In short, Deepak has an impressively unique combination of raw analytical capability with a very thoughtful perspective of considering most of the relevant points of view on the situation at hand. This perspective is unparalleled by most young businessmen his age.

Deepak's weakness are few, and I believe he is well aware of them. Not surprisingly Deepak has somewhat limited patience with individuals who struggle with the complexities of multidimensional analytical challenges. On the other hand, I have observed Deepak train some of our younger bankers and he has shown a real capability to explain and teach concepts to others. Another weakness is one from which many highly successful bankers at Deepak's level suffer. Deepak, like others, struggles with the transition from conceptual analysis and the action plan such analysis implies to the commercial realities of a business context and having to motivate disparate parties to accept the appropriate solution.

In addition to Deepak's raw analytical abilities, I have always found his work to be very precise and consistent with a high degree of attention to detail. For a banker at his stage of development, Deepak is very concise in forming both his written and spoken word. At our firm,

Deepak has shown incredible initiative in identifying technology, broadly defined, as a field on which to focus with an objective of developing banking opportunities. In this regard I am quite impressed with the thoughtfulness of Deepak's approach, the knowledge of technology that he has assimilated and his ability to choose discreet, specific potential transactions on which to focus. I believe that it is highly likely that a particular foray of Deepak's will result in our firm being engaged by a major U.S. technology firm, a very rare accomplishment for a banker at Deepak's stage of development.

Deepak has demonstrated very effective interpersonal skills with both senior bankers and subordinates. He is very facile in shifting from the contributions required of a subordinate to providing the necessary leadership to colleagues working with and for him. At times Deepak has not been as consistent in applying his interpersonal skills as he is capable of but what is more important is his sincere willingness to address this situation.

Given the nature of our firm, it is rare for a young banker to have the opportunity to truly show his leadership skills. However, I have noticed that Deepak is very capable at training young bankers and is also highly effective in dealing on his own with clients, other bankers or lawyers in situations when left on his own. Deepak is very capable at generating appropriately deserved respect from others who are usually older and much more experienced.

In choosing and considering any other elements that may impact Deepak's candidacy, I believe that this letter covers most of the relevant descriptive information. However, as a final thought, I strongly believe that Deepak is a very unique candidate for your program. It has been a long time since I have recommended a candidate with as interesting a mix of innate intelligence, analytical judgment, commercial focus, entrepreneurialism and tenacity. I have no reservations whatsoever that Deepak will make many significant contributions to your MBA program that materially distinguish him from other candidates.

Sincerely,

STORAGE

Bain & Company

Bain & Company, Inc.
One Embarcadero Center
San Francisco, California 94111-3722
USA
TEL 415-434-1022
FAX 415-627-1033

January 23, 1996

Mr. Michael H. Spindler
Chief Executive Officer and President
Apple Computer, Inc.
1 Infinite Loop
Cupertino, CA 95014

Dear Mr. Spindler:

On behalf of Bain & Company, I am pleased to present you with a copy of ***Maximum Leadership***, a new book written by my colleagues Charles Farkas and Philippe De Backer.

Throughout our 23 years as an international strategy consulting firm, Bain & Company has dedicated itself to helping chief executives create sustainable value for their companies. Based on this experience, as well as on original research including extensive interviews of over 150 CEOs from around the world, ***Maximum Leadership*** presents five distinct approaches to Chief Executive leadership. The findings have generated interest from executives and media alike, including a feature article in ***Fortune*** magazine's early January issue.

Given your position of leadership, I thought you would find this work thought provoking, as you discover which leadership approach you tend to use. We would be interested in your reactions as part of our on-going study of corporate leadership and the role of the center.

Sincerely,

Vincent H. Tobkin
Director

Enclosure

X

CS FIRST BOSTON

Ken Miller
Vice Chairman

CS First Boston Corporation
55 East 52nd Street
New York, NY 10055-0186
Telephone 212 909 4010
Facsimile 212 888 2980

February 12, 1996

Mr. Alan Patricof
Chairman
Patricof & Co. Ventures
445 Park Avenue
New York, NY 10022

Dear Alan:

I am writing to introduce Deepak Moorjani, an associate at LSG Advisors (successor to The Lodestar Group, the merchant bank I founded in 1988 and sold to Societé Generalé in 1993). He has been with the firm for three years and is exploring career opportunities in venture capital. His interest is in funding high-technology companies, and I think that it may make sense for him to talk to you or your designee.

Last summer, he received an offer to join Robertson Stephens. However, he decided to remain at LSG and has spent the bulk of his time trying to develop business in the technology sector. His long term goal is to fund these companies as a principal, and I have taken the liberty of suggesting that he be in direct touch with your office.

Best regards,

Document4\3

CS First Boston

Ken Miller
Vice Chairman

CS First Boston Corporation
55 East 52nd Street
New York, NY 10055-0186
Telephone 212 909 4010
Facsimile 212 888 2980

February 12, 1996

Mr. Richard D. Frisbie
General Partner
Battery Ventures
200 Portland Street
Boston, MA 02114

Dear Rick:

I am writing to introduce Deepak Moorjani, an associate at LSG Advisors (successor to The Lodestar Group, the merchant bank I founded in 1988 and sold to Societé Genéralé in 1993). He has been with the firm for three years and is exploring career opportunities in venture capital. His interest is in funding high-technology companies as a principal, and I think that it may make sense for him to talk to you or your designee.

Last summer, he received an offer to join Robertson Stephens. However, he decided to remain at LSG and has spent the bulk of his time trying to develop business in the technology sector. He remains hopeful that he can find a position in the industry, and I have taken the liberty of suggesting that he be in direct touch with your office.

Best regards,

Document4\2

CS FIRST BOSTON

Ken Miller
Vice Chairman

CS First Boston Corporation
55 East 52nd Street
New York, NY 10055-0186
Telephone 212 909 4010
Facsimile 212 888 2980

February 12, 1996

Mr. Tom Volpe
Volpe, Welty & Company
One Maritime Plaza
San Francisco, CA 94111

Dear Tom:

I am writing to introduce Deepak Moorjani, an associate at LSG Advisors (successor to The Lodestar Group, the merchant bank I founded in 1988 and sold to Societé Genéralé in 1993). He has been with the firm for three years and is exploring career opportunities on the West Coast. His interest is in funding high-technology companies, and I think that it may make sense for him to talk to you or your designee.

Last summer, he received an offer to join Robertson Stephens. However, he decided to remain at LSG and has spent the bulk of his time trying to develop business in the technology sector. He remains hopeful that he can find a position on the West Coast, and I have taken the liberty of suggesting that he be in direct touch with your office.

In the meantime, it would be fun to catch up and I hope you'll call if you have time to get together when you're next in New York

Best regards,

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

ONE BEACON STREET

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April 30, 1996

Mr. Joseph T. McCullen, Jr.
One Liberty Ventures
One Liberty Square
Boston, MA 02109

Dear Joe:

It was a pleasure speaking with you this morning. As discussed, I have enclosed a resume and accompanying letter of Deepak Moorjani. I appreciate your taking the time to speak with him.

Best personal regards.

Sincerely,

Kent Coit

Kent A. Coit

Enclosure

bcc: Deepak G. Moorjani

The Waterhouse Bank connection also allows NISC to offer in-house money-market funds and other asset-management products to its correspondents at low cost since the processing is done internally, he said. Correspondents also will be offered a no-transaction-fee mutual fund program and dividend reinvestment plan programs from the Waterhouse Securities product stable.

Waterhouse, which was purchased earlier this year by Toronto Dominion Bank, began planning for the correspondent clearing unit two years ago, Wigger said. Toronto Dominion owns Canada's largest discount brokerage, Green Line Investor Services, which is self-clearing and has a small unit in the U.S. that clears through Ernst & Co. NISC will pick up that business, though Ernst will continue clearing for Toronto Dominion's institutional brokerage, TD Securities, in the U.S.

Waterhouse's clearing move follows that of E*Trade, the electronic discount broker that in July converted from clearing through Herzog, Heine, Geduld to self-clearing. An E*Trade official said the firm has no immediate plans to clear for correspondents. *Jed Horowitz*

SocGen forms joint venture with media banking boutique

Bannon gives French bank instant access

Further expanding its presence in the U.S. investment banking arena, Societe Generale, U.S.A. has teamed up with the West Coast boutique Bannon & Co. in a joint venture to go after the media, entertainment and communications market.

The newly forged alliance, dubbed Societe Generale Bannon, will allow SocGen to build on its sizable presence as lender to the industry. Although the boutique will not merge with SocGen, it will work exclusively with it through the joint venture.

A supervisory committee has been created to oversee the venture. The committee, which will be chaired by Curtis Welling, head of investment banking at SocGen, will also include the French bank's managing directors in investment banking, Stephen Baronoff and John Sheldon, and the two founding principals at Bannon & Co., Stephen Bannon and Scot Vorse.

Before starting up their Beverly Hills-based boutique, the two founders of Bannon were vps at Goldman, Sachs & Co. At Goldman, Bannon had been responsible for emerging growth, entertainment and media companies in Los Angeles. Before that, he had worked for three years in the firm's M&A group in New York. Vorse had been a vp in Goldman's corporate finance department, working out of both New York and L.A. and specializing in the financing of emerging growth companies.

"This joint-venture gives us exclusive access to Bannon & Co.'s advisory practice while still allowing us to leverage its reputation, contacts and expertise on the West Coast," explained Baronoff.

SocGen, which presently has a small media and communications industry team in place in New York, is banking on the Bannon combination to catapult its investment banking business in the industry. Combined, there will be a total of eight professionals dedicated to this effort.

"In the true spirit of a joint venture, both parties will market and execute transactions together," added Vorse. "Forming a joint venture created the best incentive for both parties to create a powerful lasting long-term franchise."

SocGen has historically been a strong lender to several companies on the delivery side of the industry, to companies such as Tele-Communications, Inc. Bannon's advisory practice, on the other hand, tends to represent the content provider side, with clients such as Polygram N.V. and Disney.

Bannon & Co. has a lot of experience in advisory services, Vorse explained, but as the business becomes increasingly global and capital-intensive, the boutique felt that it needed to team up with a powerful financial services firm to better compete and provide services to clients. "The venture couples our industry expertise with SocGen's distribution muscle."

Since the boutique investment bank hung out its shingle about six years ago, its has advised on the restructurings of companies including Metro-Goldwyn-Mayer, Finivest and Carolco Pictures, and has represented prominent clients the likes of Edward P. Bass, of the Bass family of Ft. Worth, Texas.

Of note, Bannon & Co. represented Westinghouse Broadcasting Co. in the sale of Castle Rock Entertainment to Turner Broadcasting System. Also, the firm recently advised Saudi Arabian Prince al-Waleed bin Talal—who co-owns Kingdom Entertainment with entertainer Michael Jackson—in his purchase of a 50% stake in Landmark Entertainment Group. *Erica Copulsky*

Former DMG structured finance chief leaves to join boutique

Will work on securitizing complex asset classes

Manfred (Fred) Knoll, a former managing director and most recently the head of structured finance for the Americas at Deutsche Morgan Grenfell, has joined Howard B. Hill & Co., an investment banking boutique that specializes in securitization.

The move unites Knoll with former Deutsche colleague Howard Hill, who was the head of the mortgage-backed securities unit. Hill left DMG last April to open his own shop. Knoll has joined as a principal in charge of developing the boutique's investment banking effort for securitized products.

"It's a perfect match because I have been on the origination side of the complex assets business, while Howard's purview has been on the asset securitization and placement side," said Knoll. "Our objective is to try to translate the complex asset classes—that so far have been stashed away in banking portfolios, into liquid marketable securities."

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October 2, 1997

To: Peter McGonagle

From: Charles Fox

It was good talking to you today. As we discussed, I am enclosing an article describing LikeMinds and its patented collaborative filtering technology. I appreciate your sending it along to the appropriate person.

Deepak Moorjani, a good friend of mine and an investor in LikeMinds would welcome the opportunity to discuss LikeMinds' technology in greater detail. He is an investment banker at Societe Generale and can be reached at 212-278-5403.

Thanks for your help.

AT&T

Leo J. Hindery, Jr.
President and CEO

AT&T Broadband & Internet Services
P.O. Box 5630
Denver, CO 80217-5630
Room 2-248
9197 S. Peoria Street
Englewood, CO 80112
720 875-5500
FAX 720 875-5394

October 18, 1999

Mr. Atsushi Nishijo
Director
General Manager
Media Services
Sumitomo Corporation
Sumisho Kanda Building
3-24-4, Kandanishikicho, Chiyoda-ku
Tokyo, 101 Japan

Dear Nishi-san:

It was a pleasure to spend time with you on Saturday, and I am glad we could get together. I cherish your friendship and our relationship, and I hope that we can arrange to get together in Japan soon. If we cannot, I will look forward to seeing you in Los Angeles during the Western Cable Show.

One thing I neglected to mention when we were together is Sumitomo's consideration of a possible investment in a startup internet venture fund, Genesis, which your New York office is considering on your behalf. For what it is worth, I think very highly of the Fund Manager, Deepak Moorjani, and I will be investing, on a personal basis, $500,000 into Genesis.

All my best. I look forward to seeing you soon.

Kind personal regards,

LJH/lp

Genesis Ventures Reference List

Deepak Moorjani		
Mr. Robert Pirie Vice Chairman SG Cowen 1221 6th Avenue New York, NY 10020 212-278-5413	Matt Judson Managing Director BankBoston Robertson Stephens 100 Federal Street Boston, MA 02110 617-434-8023 mjudson@bkb.com	Dr. Douglas Solomon President, Business Development Interval Research Corporation 1801 Page Mill Rd, Bldg 3 Palo Alto, CA 94304 650-842-6365 solomon@interval.com
Aymerik Renard		
Ajit Pendse President & CEO eFusion 14600 NW Greenbrier Pkwy Beaverton, OR 97006 503-207-6450 ajitp@efusion.com	Philippe Cases Partner Partech International 50 California Street San Francisco, CA 94111 415-788-2929 phcases@partechintl.com	Vincent Pluvinage President & CEO Preview Systems 1601 South De Anza Cupertino, CA 95014 408-873-3450 vincent@previewsystems.com
Michael Spindler		
George Fisher Chairman & CEO Eastman Kodak Company 343 State Street Rochester, NY 14650 716-724-4000	Regis McKenna Chairman The McKenna Group 1755 Embarcadero Road Palo Alto, CA 94303 650-354-4400	Dr. Thomas Middelhoff Chief Executive Officer Bertelsmann AG Carl-Bertelsmann Str. 285 D-33311 Gütersloh Germany 49-5241-803666

Genesis Ventures Reference List

Deepak Moorjani		
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upstart capital

Upstart Capital is a Silicon Valley-based seed and early stage Internet venture capital fund. The principals of Upstart include Aymerik Renard (FranceTelecom's U.S. venture capitalist), Michael Spindler (former Apple CEO) and Deepak Moorjani (The Lodestar Group).

Upstart was launched in late 1999 with an investor base including Sumitomo Corporation, France Telecom, Societe Generale, the partners of two multi-billion dollar investment funds, Leo Hindery (CEO of Global Crossing), Bill Joy (founder of Sun Microsystems), and select Internet industry CEOs.

Upstart's advisory board includes Jean-Claude Latombe (Chair of the Stanford CS Department), Bill Pade (lead of McKinsey's Silicon Valley practice), Doug Solomon (Chief Strategy Officer of Palm Computer) and Leo Hindery.

Co-investors for our current projects include 3COM, Agilent Technologies, Benchmark Capital, Cisco Systems, Nortel Networks, Innovacom Venture Capital (France Telecom), Chase Capital, Fenway Partners, Moore Capital, and Vertex Management.

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KEN MILLER
Senior Advisor

July 2, 2001

Mr. Deepak Moorjani
General Partner
Upstart Capital
675 High Street
Palo Alto, CA 94301-1626

Dear Deepak:

At several junctures in the past I have initiated transitions by first determining to move on and, only after a brief period of reflection and information gathering, settled in on my next commitment. As previously reported in the financial press, I decided toward the beginning of the year to resign my position as Vice Chairman of Credit Suisse First Boston, effective June 30. Hereafter, I will be Senior Advisor to the firm, keeping my office, phone number and email address.

I am proud of what has been accomplished during my period at CSFB, which is now firmly established as one of the very top investment banks in the world. I am currently considering a number of alternatives in the for-profit sector where an energetic contribution can fix or build something of significant value. As long as my "new new thing" causes no conflict, I remain in an excellent position to assist friends and clients in accessing the vast resources of Credit Suisse.

In the meantime, I am enthusiastic about the number and quality of possibilities before me. I have had a great seven years at CSFB, and am particularly comfortable about the future knowing that I can rely on our continued communication.

Best Regards,

January 2, 2004

Mr. Lionel Pincus
Warburg Pincus
466 Lexington Avenue
New York, New York 10017

Dear Lionel:

Deepak Moorjani, a very talented former colleague of mine with extensive venture capital experience, is giving serious consideration to moving back to India and knowing your extensive investments there I thought you would be interested in talking to him. I believe he made an effort at some point to get in touch with your firm but without much success. I can assure you whatever the outcome it will not be a waste of your time as he is a very talented young man.

I hope this finds you well and that our paths will cross in more than a casual way in the New Year.

Sincerely,

Robert S Pirie

Enclosure

Morgan Stanley

To:	The File	Date:	21 November 2005
From:	Deepak Moorjani		
Subject:	J-REIT LBO/MBO Analytics		

Introduction

More and more investors have discovered the appeal of REITs. Creatures of tax law, REITs provide transparency, liquidity, more permanent management and corporate structures, easier access to all forms of capital including unsecured debt, and greater overall property market efficiency.

Consolidation in the Japanese REIT sector seems more than likely when valuations fall. As a comparison, the overall market capitalization of US REITs grew from $44.3 billion to $224.2 billion during 1994 through 2003, but the number of REITs declined from a peak of 225 to less than 175. Australia provides another example of consolidation. In Australia, there are 80 listed LPTs and other property firms with a total market cap of over $50 billion, and LPTs control nearly half of the institutional quality commercial real estate in Australia. However, the sector is dominated by five LPTs which account for 40 percent of the sector's market capitalization. The top 10 LPTs make up more than 65 percent of the sector.

In 1997-98, US REIT NAV premiums hit peak highs around 25-30% premiums to NAV. These numbers declined in the REIT bear market of 1999-2000 when REIT stocks significantly underperformed the overall market. By early 2000, REITs valuations hit bottom and were trading at more than a 10% discount to NAV. In this environment, a number of large REIT LBO/MBO transactions were consummated including Berkshire Realty, Sunstone, Irvine, Walden Residential and Patriot American. More recently, Capital Automotive, Gables Residential and CRT Properties have approved plans to go private at premiums of 9-15% over market price in 2005. In Oct 2005, MSREF announced its intention to acquire AMLI Residential for $2.1 billion, a 21% premium to market and a 1.9% premium to Green Street NAV.

The Japan Market

Japan's Investment Trust Law, enacted in November 2000, established the REIT vehicle, and two REITs were listed in September 2001. Today, listed JREITs total 28, including 13 newly-listed JREITs since the beginning of the year. J-REIT expansion has been aided by the JGB yield gap coupled with the liquidity, current income yield and transparency of the investment vehicle.

In Japan, we expect to see continued growth in the REIT sector with the secular shift from private to public ownership of real estate. However, the large and growing number of funds in Japan might not be sustainable without some consolidation. As companies compete for deals, asset prices continue to rise and cap rates continue to fall thereby making it more difficult to generate the returns demanded by the public shareholders. The pressure to reach critical mass will increase: with size comes the ability to cover wider territory, to save on expenses, to lower the cost of capital, and to increase liquidity. Additionally, private real estate firms can use more leverage than counterparts in the public market which provides additional financial clout to bid on pricey deals. Couple these with the changing of the guard at many private empires, and consolidation is likely to occur.

Naysayers might argue that management entrenchment, tax concerns, poison pills, and a variety of other factors will prevent consolidation. These issues do exist and are real barriers. In addition, REITs are not cheap enough in the aggregate for the LBO/M&A business to grow dramatically at current valuations. However, I believe the

From Diesel to Doctor

Although Michael H. Spindler joined Apple in September 1980 as marketing manager for European operations, the native of Berlin, Germany, didn't pop up on the radar screens of most Apple watchers until January 29, 1990, when he moved to Cupertino to assume the role of chief operating officer, taking over the worldwide manufacturing and marketing units that had previously reported to Jean-Louis Gassée. Nicknamed "The Diesel" because of his ability to attack complex problems head-on with no-nonsense management experience, Spindler was chugging down a career path that would take him to the highest executive office at Apple. In stark contrast to Steve Jobs and John Sculley, Spindler is a passionately private man who, according to one former executive, "did not get where he is by showing his butt in public." As a result, most people would be hard pressed to recall a single thing he accomplished while at the helm of Apple. That's a shame, because had he achieved his ultimate goal, its effect would have been more profound than anything anyone else at Apple had ever accomplished: The firm would have ceased to exist.

"I'm a Mike Spindler fan. In my personal opinion, he's clearly CEO material, and maybe the board brought him in for that."
***Jean-Louis Gassée**, upon announcing his intention to leave Apple*
(San Jose Mercury News, March 3, 1990)

Almost since the moment he arrived in Cupertino, Michael Spindler tried to merge Apple with a variety of different corporations.

"We used to have a joke that you don't sit in the first ten rows at a Spindler speech, because you might drown from all the sweat and spit."
*Apple sales manager **John Ziel***

Upon arriving in Cupertino, Spindler was instructed by CEO Sculley to begin a secret search for a way to pair Apple's brand name and superior software with the market muscle and boardroom credibility of a larger company. Sculley felt that the Mac market would slowly erode and that Apple's only hope was to create new revenue streams from products such as the Newton personal digital assistant and Pippin set-top box, but developing these products to the point of self-sufficiency would require the resources of a larger company.

"This isn't anything new. Since 1986, we held serious discussions with DEC, Kodak, Sony, Sun, Compaq, IBM, and a few other companies I'd rather not name now. They were very thoughtful discussions. We considered everything from 'Let's trade technology' to 'Let's put the companies together' with each one of them."
*Chairman **Mike Markkula**, on 1996 merger speculation*

In 1989, Joseph A. Graziano was nicknamed "The Million Dollar Man" after Apple paid him a $1.5 million signing bonus to leave Sun Microsystems, where he had been CFO for two years. He had been Apple's CFO from 1981 to 1985, at which time he quit to spend time with his brother, Anthony, who was dying of cancer. When word of the signing bonus spread around Apple, employees began computing budgets and profits in a new unit of currency called the Graz. For example, if your budget got cut by $6 million, you'd say they slashed "four Grazs."

Tom Zimberoff

CFO Graziano resigned after failing to convince the board to break up Apple.

investigated during his final days in charge), claiming it was the only way Apple could survive. He laid the blame for Apple's ills at Spindler's feet. He argued that Spindler's new forecast of 30 percent Mac unit growth was unrealistic in the face of the Windows 95 tidal wave. Spindler was still half-heartedly entertaining offers where he could find them but seemed resigned to trying to service the remaining Mac market as an independent company. Spindler fought back and the board stood behind him. As Markkula told *The Wall Street Journal*, "The board has been very pleased with Michael's performance. He is the best thinker at Apple. He is truly a very brilliant man." Frustrated and disgusted at the board "sitting there with their thumbs up their asses," Graziano resigned.

By December 1995, a shared fear of Microsoft had driven Sun Microsystems' CEO McNealy to meet with Apple's board at the St. Regis Hotel in New York, where they began nailing down the details of a stock-swap deal that would place McNealy in charge of the combined company. Ironically, five years before, Apple had walked away from a deal to acquire Sun, and now the tables were turned, with the spurned McNealy on the verge of taking over Apple. It looked like Apple might be able to put a present under its shareholders' Christmas trees after all, but negotiations broke off when Apple warned of an impending $69 million quarterly loss.

The Sun deal may have slipped away, but there was still the possibility that Philips would come through. Talks with Philips had been running concurrently with the Sun negotiations, and the Dutch company had indicated a willingness to pay $36 a share. However, those hopes were dashed when Philips' board rejected the proposal by a single vote.

During the merger speculation surrounding Apple at the end of 1995, there was a very real possibility of the prodigal son returning to Cupertino. At the *Upside* Technology Summit held in Carefree, Arizona, on February 12, 1996, Oracle CEO Lawrence J. Ellison admitted that he and his best friend, Steve Jobs, contemplated making a bid for the company while the two were vacationing in Hawaii the previous December. "Steve and I talked about it at length," revealed Ellison. "Up to a week ago, we were seriously looking at buying Apple, but Steve and I couldn't exactly agree about the

Sun microsystems®

"I've been to China and to the former Soviet Union, and I've seen what controlled economies are like. They suck. If Microsoft dominates the computer industry the way Bill [Gates] would like, our industry would suck too."
Sun CEO ***Scott McNealy***
*(*Fortune*, February 19, 1996)*

Q. What do you get when you merge Sun and Apple?
A. Snapple.

In an email circulated company-wide upon his resignation, Spindler wrote:

> So it's time for me to go! Mistakes or misjudgments made? Oh yes—even plenty. Both in business and personal judgment terms. I take personal responsibility for things that didn't work and should have worked. I tried to give it my best—both intellectually and physically in every corner of the world to carry this cause and its color. I tried to be as clear, honest and forthcoming in my communication with you. Those of you who—through all these long years—have helped me, supported me and even guided me—I thank you sincerely from the bottom of my soul for the friendship and being together. In fading away from the place which I loved and feared, I will become whole again—hopefully renew the father, husband and self I am.

Since leaving Apple, Spindler has kept a low public profile. He sits on the supervisory board of German publishing conglomerate Bertelsmann AG (www.bertelsmann.de) and is a managing partner at Upstart Capital (www.upstartcap.com). Apple, meanwhile, survived the most trying period in its history and—as of this writing—remains a thriving independent company.

Michael Spindler, former Apple CEO, our June Luncheon Speaker

"Nations or Networks? A view from above."

This theme encapsulates a variety of topics such as the Internet, competitiveness, and South East Asia

Michael Spindler

Michael Spindler was born in Berlin, Germany and holds a B.S. in Electrical Engineering from Technical University in Cologne. He has worked his entire career in the computer and electronics field. His first assignment in 1966 was as a development engineer in the central laboratories at Siemens AG in Munich, Germany, working on a magnetic tape controller for mainframe computers. Wanting to get closer to a real customer he joined a subsidiary of electronics conglomerate Schlumberger in the UK involved in telemetry and radar systems as a customer support engineer.

Realizing the writing on the wall and the potential of minicomputers he joined Digital Equipment Corp in 1970 as salesman in their Munich office, moving on to marketing and product management. By 1977 he had European responsibility for the telecom industry.
That year he answered a call from Intel Corp and became European Marketing Manager based at their European HQ in Brussels.
In 1980 he joined Apple, Inc as European Manager based in Paris, France. In 1985 he took responsibility for Apple's International business based in Cupertino, CA. He became President & COO in 1990 and President & CEO three years later. He left Apple in 1996.

Following corporate life Michael Spindler set out in a variety of broader activities. He served on the Boards of German Carmaker Daimler-Benz and media conglomerate Bertelsmann AG as well as firms in the biomedical and medical device business. He became involved in venture capitalism and joined Upstart Capital LLC. He served as a Trustee in non profit organizations such as the American Film Institute in Los Angeles and Libraries for the Future in New York.

Michael Spindler is married and lives in San Francisco. His three children Karen, Laurie and John live in the Bay Area.